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Viewing cable 06BUENOSAIRES1632, ARGENTINA: FAREWELL CALL ON KIRCHNER INNER CIRCLE

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Understanding cables

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- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
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Discussing cables

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#06BUENOSAIRES1632.

Reference ID Created Released Classification Origin

06BUENOSAIRES1632 2006-07-21 21:27 2011-08-30 01:44 CONFIDENTIAL Embassy Buenos Aires

Appears in these articles:

http://www.lanacion.com.ar/1361157-la-relacion-con-chavez-al-desnudo

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TREASURY FOR DAS NANCY LEE USCINCSO FOR POLAD

E.O. 12958: DECL: 07/21/2016

TAGS: PGOV PHUM PREL AR

SUBJECT: ARGENTINA: FAREWELL CALL ON KIRCHNER INNER CIRCLE

MEMBER

REF: A. 05 BUENOS AIRES 00141

¶B. BUENOS AIRES 01610

Classified By: CDA, a.i., Hugo Llorens, Reasons 1.4(b) and (d)

(C) SUMMARY: On July 19, the DCM paid a farewell call on <u>¶</u>1. President Kirchner's closest and most influential advisor, Technical and Legal Secretary Carlos Zannini, that included a discussion on the bilateral relationship and GOA regional policy. Reviewing the U.S. bilateral objectives over the past three years, the DCM said he and the Ambassador had sought to support Argentina's democracy, economic recovery and political stability, cooperate with the GOA on security and counterterrorism issues, and after Argentina recovered, seek the GOA's constructive role in the region. The DCM praised Argentina's economic recovery and Zannini thanked the U.S. for its help during the crisis. Turning to regional issues, the DCM noted U.S. regional concerns regarding Venezuela and Bolivia. The DCM said that Kirchner's close relationship with Venezuelan President Hugo Chavez and Chavez's threats against democracy, as well as his penchant for slandering President Bush and the USG, made it difficult for the Embassy to maintain constructive bilateral relations with the GOA. Zannini said that the GOA's relationship with Venezuela was based on economics and that Mercosur membership would change Venezuela, not the other way around. Bolivia, both the DCM and Zannini agreed that isolating President Morales would not be good, but the DCM said that both countries needed to work to moderate Morales' actions. Looking towards the future, Zannini said he hoped communication between the two countries would be further strengthened. The DCM highlighted incoming Ambassador Wayne's strong qualifications and noted that he would

continue Ambassador Gutierrez's professional diplomacy. END SUMMARY.

REVIEWING THE RELATIONSHIP

- 12. (C) On July 19, the DCM paid a farewell call on Technical and Legal Secretary Carlos Zannini that included a discussion on the bilateral relationship and GOA regional policy.

 Carlos Zannini is a long-time, close Kirchner advisor and probably his most influential policy confidant (See reftel A). Zannini began the discussion by noting the good relationship the Casa Rosada enjoyed with the Ambassador and DCM and expressed appreciation for U.S. help during the crisis. The DCM said the U.S. is pleased that Argentina's economic recovery has been strong and said that Kirchner deserves a great deal of the credit for it. Zannini replied that Argentina's process of recovery was unfinished, but that they too were pleased they were on the way.
- (C) The DCM reiterated U.S. objectives in Argentina. <u>¶</u>3. DCM said that in the past three years he and the Ambassador had sought to support Argentina's democracy, economic recovery and political stability, strengthen cooperation with the GOA on security and counterterrorism issues, and after Argentina recovered, seek the GOA's constructive role in the region. The DCM detailed the support that the U.S. gave to Argentina during the depth of the financial crisis, from advocating for Argentina within the G-7 to the U.S. Treasury's decision to support the private sector debt exchange that allowed Argentina to secure a higher rate of participation in the deal. The DCM noted that no major U.S. company left Argentina during the crisis and that roughly 500 U.S. companies currently operate in Argentina generating roughly 200,000 jobs.

14. (C) Turning to regional issues, the DCM noted U.S. regional concerns and said the U.S. wanted to see Argentina take a more active role in supporting regional democracy.

BUENOS AIR 00001632 002 OF 003

The DCM thanked Zannini for the GOA's continued help in Haiti. The DCM raised the issue of Venezuela, stating that Kirchner's close relationship with Venezuelan President Hugo Chavez and Chavez's threats against democracy, as well as his penchant for slandering President Bush and the USG, made it difficult for the Embassy to maintain constructive bilateral relations with the GOA. The DCM said, ""One day Kirchner is meeting with Chavez, and Chavez may be on good behavior because Kirchner has asked Chavez to avoid incidents, but the next day Chavez is calling President Bush a drunkard, a genocidal maniac and worse than Hitler."" The DCM said that by so closely associating himself with a leader like Chavez, Kirchner risks being viewed by Washington as sharing Chavez's views. The DCM said that the U.S. does not oppose Argentina's economic ties with Venezuela, as the U.S.-Venezuelan trade relationship is extensive, but both Argentina and the U.S. need to support Venezuela's democracy.

15. (C) Zannini responded by emphasizing the economic nature of Argentina's relationship with Venezuela and noted that the U.S. and Argentina ""have different definitions of democracy."" Zannini said, ""Our relations with Venezuela are not anti-U.S., but based on economic interests."" Zannini acknowledged Chavez's anti-U.S. tendencies, ""Attacking the U.S. is a way for him (Chavez) to build power in Venezuela."" He said that Argentina does not share Chavez's anti-U.S. message. Regarding Venezuela's democracy, Zannini said that for the GOA, the most important part of a democracy is voting, pointing out that Chavez has won numerous national

elections. Zannini said that part of the problem with Venezuela's democracy is the intransigence of Venezuela's opposition. Zannini noted the many ways that Venezuela was helping Argentina, from buying bonds, helping to meeting Argentina's energy needs, to selling Argentina agricultural equipment.

- 16. (C) The DCM responded by noting the increasingly authoritarian nature of the Chavez government. He stressed Chavez's concerted efforts to weaken judicial independence and retain monopoly control of Venezuela's Congress, as well as his crackdown against the political opposition and media. The DCM said that many in the opposition and in the media in Venezuela lived in fear. The DCM also noted the foreign policy dimension of the problem, citing Chavez's cultivation of the rogue regimes in Iran and North Korea. Zannini replied by highlighting the GOA's cooperation with the U.S. on counterproliferation efforts on both Iran and North Korea in the UN Security Council.
- 17. (C) On Bolivia, the DCM said that the U.S. is not trying to isolate Bolivian President Morales, but is instead seeking to moderate Morales' actions. Zannini said that isolating Morales would just create a worse situation. Zannini said that Morales and Chavez often have rhetoric that is much worse than their actions. The DCM acknowledged that focusing exclusively on rhetoric was not helpful, but reaffirmed that the U.S. is also concerned with some of the actions of both Morales and Chavez.
- 18. (C) Zannini raised the issue of the Mercosur Summit in Cordoba. Zannini said Venezuela's incorporation into Mercosur should not concern the U.S. ""Venezuela will adapt to Mercosur, not the other way around. Argentina does not have a regime like Venezuela's; Argentina has its own characteristics."" Zannini acknowledged that misunderstandings about Argentina's relationship with Venezuela could cause many problems with the GOA's relationship with the U.S. However, he again sought to allay

U.S. fears, ""Argentina is not going to be a tool of Cuba.""
Zannini said that the highlights of the Summit in Cordoba
would be announcing the creation of a South American
parliament and a regional infrastructure fund. Zannini noted
that Mercosur's success would lead to stronger democracies in
the region, ""With better economies, democracy can grow.""

BUENOS AIR 00001632 003 OF 003

LOOKING TO THE FUTURE

- 19. (C) Looking towards the future, Zannini said he hoped communication between the two countries would improve. Zannini said that ""Argentina is focused just on the region and the U.S. is focused on the world. At times, the U.S. has not exercised the leadership in the region that was needed."" The DCM replied that Argentina has benefited first-hand from the U.S. regional leadership in recent years. The DCM highlighted incoming Ambassador Wayne's strong qualifications, predicting that he would maintain Ambassador Gutierrez's efforts to reach out and seek to strengthen bilateral ties.
- 110. (C) Zannini, noting incoming Ambassador Wayne's economic background, appealed for more U.S. investment in Argentina as the best way to improve bilateral relations. The DCM said that the GOA needs to ensure that U.S. companies have the freedom to operate in Argentina without GOA price controls and interference that would harm the U.S. companies' ability to compete. The DCM said that U.S. companies need open and clear regulations in order to encourage them to invest. Zannini acknowledged the benefits of the U.S.-style of business-government relations, which he said was superior to the common practice in Europe.

COMMENT

- ¶11. (C) As Secretary of the Presidency Oscar Parrilli did in his recent meeting with the DCM (See reftel B), Kirchner's inner circle always attempts to allay our concerns regarding Argentina's relationship with Venezuela. Although the GOA's goals in their dealings with Chavez are primarily economic, Chavez's primary goals are political. President Kirchner is playing a dangerous game as he is drawing Argentina ever closer to Venezuela. Chavez, and his ally Fidel Castro, are much more capable and adept at manipulating regional politics than is President Kirchner. Kirchner likely thinks he can continue to strengthen his ties to the leftist bloc in Latin America, while maintaining positive relations with the United States. Kirchner's foreign policy ineptness and lack of competent international relations advisors will likely prevent him from understanding the potential negative consequences of his actions.
- <u>¶</u>12. (C) Our experience has been that the GOA is difficult government to work with and one with a lack of foreign policy expertise. The Kirchner administration's lack of understanding in the international relations area, coupled with their sophomoric, 1970s leftist tendencies, make them easily susceptible to manipulation by more radical regional leaders, such as Chavez and Castro. It is therefore extremely important for the U.S., both in Washington and in Buenos Aires, to actively engage the GOA at a high level at this critical juncture to avoid any further slippage of Argentina towards the Chavez orbit. Despite differences, we have been able to achieve excellent cooperation with the GOA on a range of issues, including counternarcotics, counterterrorism, non-proliferation and in Haiti. We need to further reach out to the GOA to achieve more cooperation in other areas. The consequences of not maintaining a fluid dialogue with the GOA can only be negative for the U.S. END COMMENT.

LLORENS	
======CABLE	ENDS====================================